

The following is an excerpt from the minutes of meeting of City Council held on April 30, 2012:

MATTERS REQUIRING PUBLIC NOTICE

**4b) Intent to Borrow
(File No. CK. 1750-1)**

REPORT OF THE CITY CLERK:

“The following is a report of the General Manager, Corporate Services Department dated April 20, 2012:

- ‘RECOMMENDATION:**
- 1) that City Council authorize the planned borrowing to finance the following projects approved, in principle, through Capital Budgets and capital plans:
 - a) up to \$21,000,000 for the design and construction of the Remail Art Gallery of Saskatchewan (capital project 1786);
 - b) up to \$6,000,000 for the design and construction of an underground parking garage at River Landing (capital project 1786); and
 - c) an allowable 10% variance on the borrowing requirements for each project identified. Any variance greater than 10% of the borrowing amount identified must be reported to City Council.

REPORT

The Cities Act and City Council Bylaw 8171 require that City Council give Public Notice before borrowing money, lending money, or guaranteeing the repayment of a loan.

Capital Budget Borrowing

The capital projects for the design and construction of the Remail Art Gallery of Saskatchewan and the underground parking garage at River Landing have been approved through the capital budgets. City Council has authorized these projects to proceed, subject to a Public Notice Hearing for borrowing. While some expenditures may have already been incurred, no borrowing has been undertaken pending this Public Hearing. It should also be noted that while authorization is being requested for the full borrowing requirements for both of these projects, actual borrowing will occur based on cash flow requirements and/or prevailing market conditions.

Debt repayment on the Remail Art Gallery of Saskatchewan is supported through incremental taxation revenue from assessment growth as part of the City's overall Major Recreational and Cultural Facilities funding plan.

The debt repayment on the underground parkade is supported by forecasted revenues generated from the parking fees from the new facility.

The estimated repayment term for the \$21,000,000 loan for the Remail Art Gallery of Saskatchewan is a 10-year borrowing at an estimated rate of 4.0%. The estimated repayment term for the borrowing on the parkade is over 15 years at an estimated 4.5%. The planned borrowing is likely to take place in 2014 but is dependent upon actual cash outflows of the project expenditures

OPTIONS

The alternative option is not to proceed with the construction of the capital projects noted above, or to finance these projects without borrowing.

POLICY IMPLICATIONS

City Council should be aware that the Administration will follow its existing practice with respect to borrowing. Once an Administrative decision has been made to borrow, City Council will be requested to authorize the General Manager, Corporate Services, to effect that borrowing within specified ranges (interest rates, for example). Once a borrowing has occurred, the Administration will draft and present a borrowing bylaw, with all of the relevant data related to the transaction, for City Council's approval.

City Council is also asked to allow a 10% variance on the borrowing requirements for each project identified. Any variance greater than 10% of the borrowing amount identified must be reported to City Council.

FINANCIAL IMPACT

The requested borrowing identified through Recommendation 1 is being proposed within the capital budget plan, with debt repayment covered through mill rate funding using assessment growth as well as projected parking revenues generated by the new parkade.

ENVIRONMENTAL IMPLICATIONS

There are no environmental and/or greenhouse gas implications.

PUBLIC NOTICE

Public Notice is required for consideration of this matter, pursuant to Section 3e) of Policy No. C01-021 (Public Notice Policy). The following notice was given:

- Advertised in the Saskatoon *StarPhoenix* on Saturday, April 14, 2012.
- Posted on City Hall Notice Board on Friday, April 13, 2012.
- Posted on City Website on Friday, April 13, 2012.

ATTACHMENT

1. Photocopy of Public Notice.’”

The City Clerk distributed copies of a letter from Holly Miller dated April 28, 2012, submitting comments regarding the above matter.

His Worship the Mayor ascertained that there was no one present in the gallery who wished to address Council on this matter.

Moved by Councillor Penner, Seconded by Councillor Donauer,

- 1) *that City Council authorize the planned borrowing to finance the following projects approved, in principle, through Capital Budgets and capital plans:*
 - a) *up to \$21,000,000 for the design and construction of the Remai Art Gallery of Saskatchewan (capital project 1786);*
 - b) *up to \$6,000,000 for the design and construction of an underground parking garage at River Landing (capital project 1786); and*
 - c) *an allowable 10% variance on the borrowing requirements for each project identified. Any variance greater than 10% of the borrowing amount identified must be reported to City Council.*

CARRIED.

PUBLIC NOTICE

INTENT TO BORROW

City Council will be considering a report from the Administration at a Council meeting to be held on **Monday, April 30, 2012 at 6.00 p.m., Council Chambers, City Hall** *April 30 date is a change from the date previously advertised recommending:

That City Council authorize borrowing to finance the following projects approved, in principle, through capital budgets and capital plans:

- a) up to \$21,000,000 for the design and construction of the Remai Art Gallery of Saskatchewan (capital project 1786);
- b) up to \$6,000,000 for the design and construction of an underground parking garage at River Landing (capital project 1786); and
- c) an allowable 10% variance on the borrowing requirements for each project identified. Any variance greater than 10% of the borrowing amount identified must be reported to City Council.

The Cities Act and City Council Bylaw 8171 require that City Council give public notice before borrowing money, lending money or guaranteeing the repayment of a loan.

For more information, contact the City Clerk's Office:
975-3240